



July 8, 2020

James Dickey, State Chairman
Alma Jackson, State Vice-Chairman
Kyle Whatley, Executive Director
Republican Party of Texas
211 E. 7th St. #915
Austin, TX 78701

Re: Notice of Termination of License Agreement #6780 Due to an Occurrence of Force Majeure

Dear Mr. Dickey, Ms. Jackson, and Mr. Whatley,

Due to the unprecedented scope and severity of the COVID-19 epidemic in Houston, compounded by mounting scientific evidence of the significant risks posed by assembling a large indoor event, Houston First Corporation must, effective immediately by this notice, terminate the License Agreement with the Republican Party of Texas for the 2020 Texas Republican Convention at the George R. Brown Convention Center.

Section 12 of the Terms and Conditions portion of the License Agreement provides, in pertinent part, that either party may terminate the agreement or suspend its obligations due to Force Majeure to the extent that such occurrence is beyond the reasonable control of the party whose performance is affected. In the same section, the term "Force Majeure" is defined to include "epidemics in the City of Houston", as well as emergency governmental declarations and other occurrences of like nature; the Second Amendment to the License Agreement clarified that the term includes "pandemics affecting Houston or preventing use and occupancy of the [George R. Brown Convention Center]; and orders materially and substantially restricting the size of gatherings at the facility".

Houston has experienced a significant increase in confirmed COVID-19 cases since Memorial Day Weekend, straining the availability of healthcare resources, and there is no indication that the current crisis will slow or reverse course in the coming weeks. We are also aware of powerful statements made by the Texas Medical Association, Greater Houston Partnership, and Houston First Corporation Chairman David Minchberg urging the Republican Party of Texas to consider the inherent risks of holding an in-person function expected to draw an estimated 6,000 participants, given current conditions in Harris County.

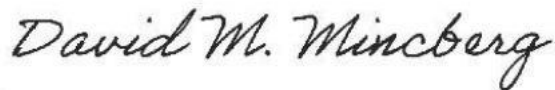
Dr. David Persse, in a July 7, 2020 letter to City of Houston Mayor Sylvester Turner and Houston First Corporation President & CEO Brenda Bazan, a copy of which is attached for your reference, makes clear factually that Houston is facing a frightening and unparalleled escalation of COVID-19 cases and that a large July event at the George R.

Brown Convention Center represents a “clear and present danger to the health and well-being of convention attendees, workers, local hotel and restaurant owners and Houstonians”. Equally alarming, emerging scientific evidence reported to the World Health Organization indicates that airborne transmission of the virus may be a significant factor in the pandemic (See <https://www.nytimes.com/2020/07/04/health/239-experts-with-one-big-claim-the-coronavirus-is-airborne.html>).

The COVID-19 outbreak, its consequences, and efforts by governmental authorities and public health officials to control the spread of the disease based on the best scientific evidence available have negatively affected our ability to host the 2020 Texas Republican Convention at the George R. Brown Convention Center. The foregoing events constitute, individually and in the aggregate, a condition of force majeure under the terms of our agreement with the Republican Party of Texas, thereby allowing Houston First Corporation the right to terminate and excusing our performance under the terms of the agreement.

Thank you for your understanding during this difficult period and due regard for the health, safety and welfare of your attendees and our community.

Sincerely,



David M. Mincberg
Chair of the Board of Directors



Brenda W. Bazan
President & CEO



CITY OF HOUSTON
Health and Fire Departments

Sylvester Turner

Mayor

David Persse, MD
Public Health Authority &
EMS Director
1801 Smith St., 8th floor
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July 7, 2020

Sylvester Turner
Mayor

Brenda Bazan
President and CEO
Houston First Corporation

Dear Mayor Turner and Ms. Bazan:

I write to confirm that Houston is confronting an unparalleled and frightening escalation in the spread of the COVID-19 virus. Our metropolitan area in general – and Houston in particular – are now among the national epicenters of current COVID-19 outbreaks. The daily chart of COVID-19 hospital admissions in Harris County has been a very steep line upward for the past five weeks. The Houston area has experienced a sharp rise in COVID-19 cases since Memorial Day. Now, COVID-19 infections are three times greater than they were at the peak experienced earlier this spring. Houston is now among the national epicenters of current COVID-19 outbreaks and today Texas Medical Center hospitals enacted their Phase II plans to expand intensive care unit capacity.

To further evidence the crisis, recently, Governor Abbott issued Executive Order GA-29 on July 2 ordering the use of face masks in public to help slow the spread of COVID-19 as new infections and hospitalizations are surging, and preventable deaths continue to mount. This comes after the Executive Order GA-29 on June 26 to close bars, halt further reopening and delay elective surgeries in eight of the state's hardest hit counties. Harris County upgraded its threat level indicator to a *Level 1: Stay Home* on June 26. Level one signifies a severe and uncontrolled level of COVID-19 in Harris County, meaning outbreaks are present and worsening and that testing, and contact tracing capacity is strained or exceeded. At this level, residents are advised take action to minimize contacts with others wherever possible and avoid leaving home except for the most essential needs like going to the grocery store for food and medicine. World class epidemiologists opine and have evidence to support that the rate of infected persons is increasing exponentially. Just today, Dr. Tedros Adhanom Ghebreyesus,

Council Members: Amy Peck Jerry Davis Abbie Kamin Carolyn Evans-Shabazz Dave Martin Tiffany Thomas Greg Travis Karla Cisneros
Robert Gallegos Edward Pollard Martha Castex-Tatum Mike Knox David Robinson Michael Kubosh Letitia Plummer Sallie Alcorn
Controller: Chris Brown

Director General of the World Health Organization (WHO) described the situation as, "...accelerating, and we have clearly not reached the peak of the pandemic." Furthermore, the WHO has been petitioned by over 200 scientists to consider changing the classification of the SARS CoV-2 virus transmission from droplet to aerosol. Benedetta Allegranzi, the WHO's technical lead for infection prevention and control, today said there was evidence emerging of airborne transmission of the coronavirus, "*The possibility of airborne transmission in public settings - especially in very specific conditions, crowded, closed, poorly ventilated settings that have been described, cannot be ruled out.*" Aerosol transmission in a large indoor gathering can be expected to be considered a "super spreader" event.

Currently, due to the spike in COVID-19 cases, accompanied by a steady rise in hospitalizations since the lifting of the restrictions intended to contain the virus, the risk of COVID-19 spreading at a large in-person gathering in Houston is high. A convention attended by thousands of people will be within the Highest Risk Event Category as it will be difficult (more likely impossible) to maintain social distancing and appropriate hygiene practices at a convention facility over multiple days attended by people from distant locations.

The planned use of the George R. Brown for convention activities over the next month is a clear and present danger to the health and well-being of convention attendees, workers, local hotel and restaurant owners and Houstonians because of the surging pandemic.



David Persse, MD